

Worksheet 1. Adjusted Basis of Home Sold —

Illustrated Example 1 for Peter and Betty Clark



Caution: See the Worksheet 1 Instructions *before you use this worksheet.*

1.	Enter the purchase price of the home sold. (If you filed Form 2119 when you originally acquired that home to postpone gain on the sale of a previous home before May 7, 1997, enter the adjusted basis of the new home from that Form 2119.)	1.	<u>\$40,000</u>
2.	Seller paid points for home bought after 1990. (See <i>Seller-paid points</i> .) Do not include any seller-paid points you already subtracted to arrive at the amount entered on line 1	2.	<u> </u>
3.	Subtract line 2 from line 1	3.	<u>40,000</u>
4.	Settlement fees or closing costs. (See <i>Settlement fees or closing costs</i> .) If line 1 includes the adjusted basis of the new home from Form 2119, go to line 6.		
a.	Abstract and recording fees	4a.	<u> </u>
b.	Legal fees (including title search and preparing documents)	4b.	<u>250</u>
c.	Surveys	4c.	<u> </u>
d.	Title insurance	4d.	<u> </u>
e.	Transfer or stamp taxes	4e.	<u> </u>
f.	Amounts that the seller owed that you agreed to pay (back taxes or interest, recording or mortgage fees, and sales commissions)	4f.	<u> </u>
g.	Other	4g.	<u> </u>
5.	Add lines 4a through 4g	5.	<u>250</u>
6.	Cost of additions and improvements. Do not include any additions and improvements included on line 1	6.	<u>2,000</u>
7.	Special tax assessments paid for local improvements, such as streets and sidewalks	7.	<u> </u>
8.	Other increases to basis	8.	<u> </u>
9.	Add lines 3, 5, 6, 7, and 8	9.	<u>42,250</u>
10.	Depreciation, related to the business use or rental of the home, claimed (or allowable)	10.	<u> </u>
11.	Other decreases to basis (See <i>Decreases to basis</i> .)	11.	<u> </u>
12.	Add lines 10 and 11	12.	<u> </u>
13.	ADJUSTED BASIS OF HOME SOLD. Subtract line 12 from line 9. Enter here and on <i>Worksheet 2</i> , line 4 . . .	13.	<u>\$42,250</u>